

FY2011 (Interim)

February 1, 2011—July 31, 2011

SUMCO Business Results



I would like to take this opportunity to extend my sincere appreciation to our shareholders for continued support and understanding, and I briefly preface SUMCO Corporation's business results for the interim period of fiscal year 2011 (February 1, 2011 – July 31, 2011).

During this period, the SUMCO Group experienced the Great East Japan Earthquake. We made companywide efforts to recover the Yonezawa Plant which sustained damages and tried to increase production at plants in Kyushu for back up. Thus we were able to respond the rushed demand from our customers, whereas, silicon wafers for solar energy cells encountered difficulties due to sudden deterioration in the market environment.

The SUMCO Group made progress to cut fixed costs and improve productivity based upon the Profit Enhancement Measurers.

For this interim period, the SUMCO Group posted a consolidated net loss of 1.3 billion yen due in part to the recording of extraordinary losses associated with the Earthquake. Therefore, I regret that I decided to forego the payment of interim cash dividends.

In the second half of the fiscal year, demand for silicon wafers is expected to decline along with deepening concerns on the direction of the world economy. Based on this outlook, and taking into consideration the impact of the stronger yen, we have revised our business forecast for the fiscal year ending in January 2012.

I foresee the market adjustment is temporary and will therefore continue making our utmost efforts to strengthen our management structure and build a strong profit base as a manufacturer specialized in silicon wafers.

SUMCO will continue to work to be a company that exceeds the expectations of all our stakeholders and I stand to pursue the initiatives, I, on behalf of SUMCO, ask for your continued support of our efforts.

October 2011

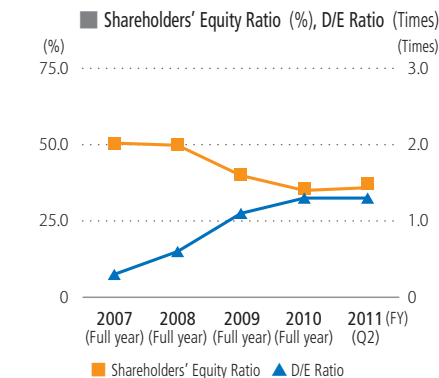
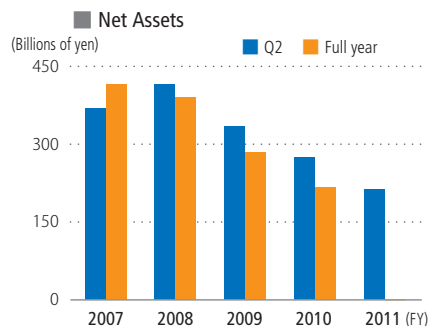
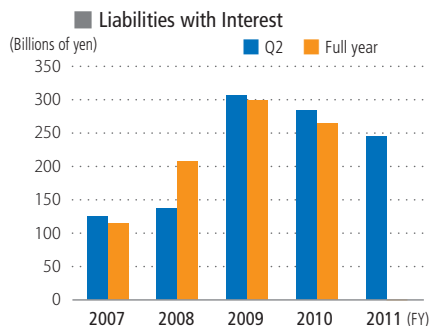
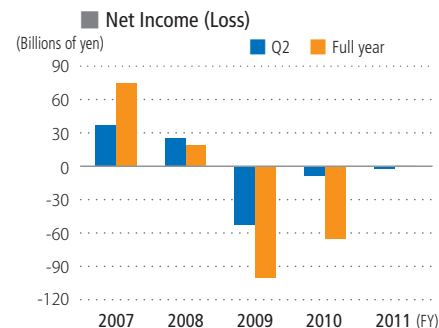
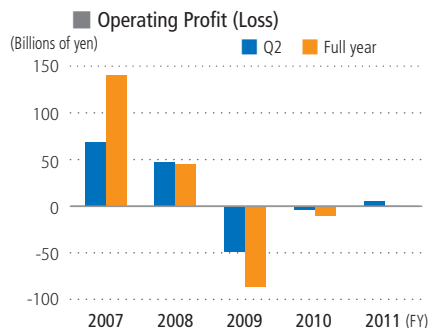
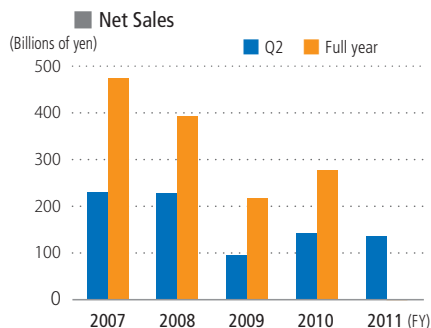
A handwritten signature in black ink, appearing to read 'Yoichi Taguchi'. The signature is fluid and cursive, written in a professional style.

Yoichi Taguchi
President

Consolidated Financial Highlights

(Billions of yen, amounts less than 100 million yen are truncated)

	FY2007		FY2008		FY2009		FY2010		FY2011
	Year ended January 2008		Year ended January 2009		Year ended January 2010		Year ended January 2011		Year ending January 2012
	Q2	Full year	Q2	Full year	Q2	Full year	Q2	Full year	Q2
Net sales	229.1	474.9	227.1	391.9	95.7	218.2	142.3	276.9	134.9
Operating profit (loss)	68.9	140.3	47.2	45.0	(48.8)	(86.5)	(1.1)	(8.4)	5.4
Ordinary profit (loss)	66.1	133.0	46.5	39.3	(61.2)	(114.7)	(9.9)	(26.1)	1.5
Net income (loss)	37.2	74.8	25.6	18.8	(52.9)	(100.4)	(8.3)	(65.5)	(1.3)
Total assets	623.0	710.4	709.7	733.8	721.4	662.8	635.9	561.7	542.0
Liabilities with interest	125.7	114.1	137.6	208.0	305.7	299.6	284.1	264.8	245.4
Net assets	368.4	415.5	416.1	389.5	334.1	284.9	274.2	216.1	213.3
Shareholders' equity ratio (%)	52.6	50.5	54.6	49.8	43.2	39.9	40.0	35.0	35.9
D/E ratio: Liabilities with interest/ Net assets (times)	0.4	0.3	0.4	0.6	1.0	1.1	1.1	1.3	1.3



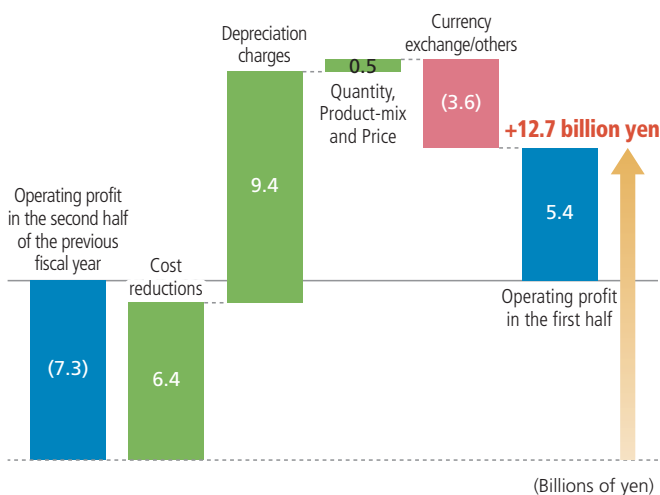
Consolidated Business Results for the Interim Period

Market environment	SUMCO's situation
Silicon wafers for semiconductors <ul style="list-style-type: none"> ● Despite sluggish shipments of personal computers, demand continued to grow for such information devices as smartphones and tablet computers. ● Emergency demand was created by the Great East Japan Earthquake. → Robust demand for silicon wafers continued.	We made best efforts to respond to brisk demand for silicon wafers for semiconductors by speeding the recovery of the Yonezawa Plant, which suffered damage in the Great East Japan Earthquake, while increasing production in plants situated in the Kyushu area. As a result, the SUMCO Group's shipment volumes exceeded previous projections.
Silicon wafers for solar energy cells <ul style="list-style-type: none"> ● Demand fell sharply due to changes in the electric power purchase system in Europe. → Demand and prices for silicon wafers for solar energy cells both declined steeply.	Our volume of shipments declined sharply due to the sudden worsening of the market environment.

Under the circumstances, the SUMCO Group has continued to cut fixed costs and improve productivity under its Profit Enhancement Measures. As a result, consolidated net sales amounted to 134.9 billion yen, operating profit totaled 5.4 billion yen and ordinary profit was 1.5 billion yen. However, we recorded a net loss of 1.3 billion yen in the interim period due in part to extraordinary losses associated with the Great East Japan Earthquake.

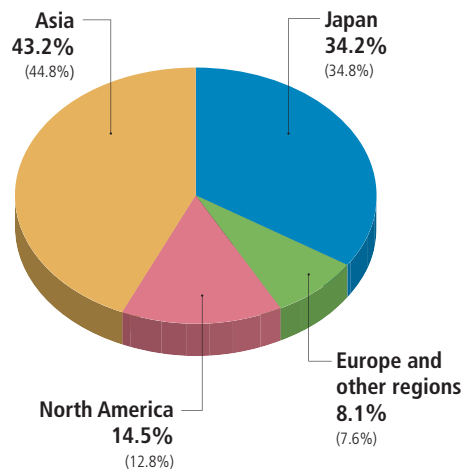
Analysis of Factors Increasing and Decreasing Operating Profit

An analysis of factors that increased and decreased interim operating profit from the second half of fiscal 2010 (August 1, 2010 – January 31, 2011) is as follows.



Overseas Sales

During the interim period, overseas sales amounted to 88.8 billion yen and accounted for 65.8% (65.2% in the same period of the previous fiscal year) of total consolidated net sales.



Figures in parentheses are for the same period of the previous fiscal year.

Consolidated Financial Statements

Consolidated Statements of Income

(Millions of yen)

	FY2010 Q2 (February 1, 2010– July 31, 2010)	FY2011 Q2 (February 1, 2011– July 31, 2011)
Net sales	142,337	134,938
Cost of sales	127,950	115,707
Gross profit	14,386	19,231
Selling, general and administrative expenses	15,510	13,804
Operating profit (loss)	(1,124)	5,426
Non-operating profit	491	701
Non-operating expense	9,277	4,591
Ordinary profit (loss)	(9,909)	1,536
Extraordinary loss	543	1,830
Net income (loss) before income taxes and minority interests	(10,453)	(294)
Income taxes, etc.	(1,736)	861
Minority interests in income (loss)	(322)	207
Net income (loss)	(8,394)	(1,362)
Capital expenditures	6,739	7,283
Depreciation charges	39,483	25,667
EBITDA	33,658	30,608

Key Points for the Consolidated Statements of Income

Net Sales

Despite an increase in sales of 300 mm silicon wafers for semiconductors owing to such factors as emergency demand following the earthquake, net sales amounted to 134.9 billion yen due to the impact of the strong yen and a decline in sales of silicon wafers for solar energy cells.

Operating Profit

Operating profit amounted to 5.4 billion yen as a result of a decrease in depreciation charges in addition to the contribution of such cost-reduction activities as productivity improvements and other initiatives under our Profit-Base Enhancement Measures.

Ordinary Profit

Ordinary profit amounted to 1.5 billion yen after adding total non-operating profit of 0.7 billion yen and subtracting total non-operating expense of 4.5 billion yen, including interest paid of 1.9 billion yen and depreciation charges of 1.8 billion yen.

Extraordinary Loss

In the same period of the previous fiscal year, we recorded a 0.5 billion yen extraordinary loss from business restructuring expenses. In the period under review, we posted total extraordinary losses of 1.8 billion yen that included a 1.2 billion yen loss on disaster resulting from the Great East Japan Earthquake and a 0.5 billion yen loss on adjustment for changes of accounting standard for asset retirement obligations.

Capital Expenditures and Others

Total capital expenditures amounted to 7.2 billion yen. Depreciation charges that include non-operating amortization, amounted to 25.6 billion yen, and EBITDA* was 30.6 billion yen.

*EBITDA: Operating profit + Operating depreciation charges + Amortization of goodwill. This is one indicator of profit levels.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	FY2010 Year-end (January 31, 2011)	FY2011 Q2 (July 31, 2011)
(Assets)		
Current assets	184,688	179,810
Fixed assets	377,088	362,236
Total assets	561,777	542,046
(Liabilities)		
Current liabilities	146,358	148,281
Fixed liabilities	199,275	180,424
Total liabilities	345,633	328,706
(Net assets)		
Shareholders' equity	205,274	203,910
Total valuation and translation adjustments	(8,878)	(9,468)
Minority interests	19,748	18,897
Total net assets	216,143	213,340
Total liabilities and net assets	561,777	542,046

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2010 Q2 (February 1, 2010– July 31, 2010)	FY2011 Q2 (February 1, 2011– July 31, 2011)
Cash flows from operating activities	10,688	8,066
Cash flows from investing activities	(7,826)	(3,855)
Cash flows from financing activities	(15,233)	(19,429)
Cash and cash equivalents at end of period	58,988	38,667

Key Points for the Consolidated Balance Sheets

Total Assets

Total assets decreased to 542.0 billion yen due to a decline in tangible fixed assets.

Total Liabilities

Total liabilities decreased to 328.7 billion yen due to a decline in liabilities with interest.

Total Net Assets

Total net assets declined to 213.3 billion yen owing to a decrease in retained earnings due to the net loss.

Shareholders' Equity

Shareholders' equity excluding minority interests was 194.4 billion yen. The shareholders' equity ratio*¹ was 35.9% and the net debt/equity ratio*² was 1.1 times. SUMCO's targets for these ratios are 50% and 0.5 times, respectively.

Key Points for the Consolidated Statements of Cash Flows

Cash Flows from Operating Activities

Despite a decline in net loss before income taxes and minority interests, net cash provided by operating activities amounted to 8.0 billion yen due to such factors as a decrease in depreciation charges and an increase in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to 3.8 billion yen due to such factors as the acquisition of tangible fixed assets and shares in subsidiaries.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to 19.4 billion yen due to such factors as the repayment of long-term loans payable and lease obligations.

*1 Shareholders' equity ratio: Shareholders' equity as a percentage of total assets

*2 D/E ratio: Liabilities with interest as a percentage of shareholders' equity

Revision of Business Results Forecast for FY2011

■ Outlook for the Second Half and Review for Business Results Forecast

In the previously robust silicon wafer market, demand is expected to decline below initial forecast due to growing concerns about the direction of the world economy and emerging signs of a slowdown in demand for electronic devices, which is prompting some semiconductor manufacturers to begin adjusting production.

In the market for solar energy, which has been impacted by a precipitous decline in demand, some progress is being made in inventory adjustment. However, it is expected that the gap between supply and demand will take considerable time to close.

Due to these changes in the market environment, in addition to the impact of the strong yen, we have revised our forecast of business results for fiscal year 2011 announced on March 11, 2011. The revised figures are as follows.

■ Key Points for Revisions from the Previous Forecast

The details of the principal revisions of the business results forecast announced on March 11 are as follows.

- The assumed exchange rate for the second half has been revised to 80 yen/1 U.S. dollar.
- Projected operating income was reduced 7.0 billion yen due in part to the shifting of depreciation charges to operations because of the start-up of facilities that were previously not in operation.
- The forecast for net income was reduced 4.0 billion yen due to a 1.2 billion yen extraordinary loss on disaster associated with the Great East Japan Earthquake in addition to tax expenses.
- Projected capital expenditures have been decreased 13.0 billion yen from the previous forecast due to stringent selection of investments.
- Projected depreciation charges have been reduced 4.6 billion yen and are expected to be 52.4 billion yen.

	FY2010 Results	FY2011 Previous forecast (March)	FY2011 Revised forecast (September)	(Billions of yen) Increases/decreases from FY2010
Net sales	276.9	285.0	272.0	(4.9)
Operating profit (loss)	(8.4)	19.0	12.0	20.4
Ordinary profit (loss)	(26.1)	7.0	5.0	31.1
Extraordinary gain (loss)	(23.0)	(0.5)	(1.8)	21.2
Tax expenses and others	(16.4)	0.0	(0.7)	15.7
Net income (loss)	(65.5)	6.5	2.5	68.0
Capital expenditures	10.3	35.0	22.0	11.7
Depreciation charges	78.1	57.0	52.4	(25.7)
EBITDA	61.0	72.0	64.5	3.5
Exchange rate (Yen/U.S. dollar)	87.5	82.0	* 80.9	(6.6)

*Actual first half exchange rate: 81.8 yen. Assumed second half exchange rate: 80.0 yen

Note: Forecasts of business results and other forward-looking statements are based on information currently available to the Company and on certain assumptions the Company considers to be reasonable. Actual results may differ significantly from those projected in the forward-looking statements as a result of various factors.

Here we report on the principal questions and answers at the earnings release conference held on September 7, 2011.

Q What is the outlook for silicon wafers for semiconductors?

A At present, the semiconductor market is being affected by concerns about the future direction of the world economy and demand is now expected to fall short of initial expectations.

Over the medium and long terms, however, demand for semiconductors is expected to increase due to several factors. These include growing demand for energy-saving devices needed for green energy and a carbon-free society; for large-volume memory devices required for storing information along with the spread of cloud computing; and for mobile devices such as smartphones and tablet PCs.

In the future, cutting-edge semiconductors that realize high performance and low power consumption to respond to demand for these types of electronic devices will drive the market for silicon wafers, we expect.

SUMCO will gear up to meet increasing demand while vigorously undertaking R&D of high-precision, high-quality silicon wafers to ensure that we can respond to ever-evolving Leading-edge technologies for semiconductors.



Q What is the impact of the stronger yen and your response measures?

A Most of semiconductor manufacturers, which are our customers, operate manufacturing bases overseas and are thus being affected in the area of currency exchange due to the ongoing strengthening of the yen.

SUMCO will strengthen cooperation between its production bases in Japan and its overseas production bases in Taiwan, the United States and Indonesia, and work to build a flexible production system. At the same time, we will make efforts to strengthen our competitiveness with measures that include cutting fixed costs and improving productivity under our Profit Enhancement Measures.

Q What is the outlook for demand for silicon wafers for solar energy cells?

A The market environment rapidly worsened as demand declined abruptly and market prices declined sharply due to a change in the electric power purchasing system in Europe. Consequently, the volume of our shipments also decreased precipitously. It will take more time to be in good balance between supply and demand, we expect. Nevertheless, We believe that the market for solar energy cells is a growing field along with other types of renewable energy that are essential for promoting clean energy policies in countries around the world and for realizing the creation of a carbon-free society.

SUMCO will make every effort to respond to the abrupt changes in the market and improve productivity and take other measures to improve costs.

The Tale of “Nano”

—Toward a World of Minuteness and Beyond



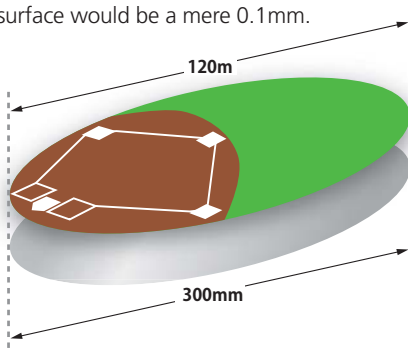
SUMCO's Nanotechnologies

SUMCO introduced its “nano-scale” and semiconductor technologies in Message to shareholders in the FY2010 SUMCO Business Results distributed in April 2011.

“Nano-level” semiconductors also require “nano-level” precision and quality from a silicon wafer, which is a key materials.

A Truly Flat Silicon Wafer

To demonstrate the stringent level of flatness required by “nano-level” semiconductors, considering that if the field surface at baseball ground was the surface of currently mainstream 300 mm silicon wafer in diameter, the allowable vertical interval (undulating) of the field surface would be a mere 0.1 mm.

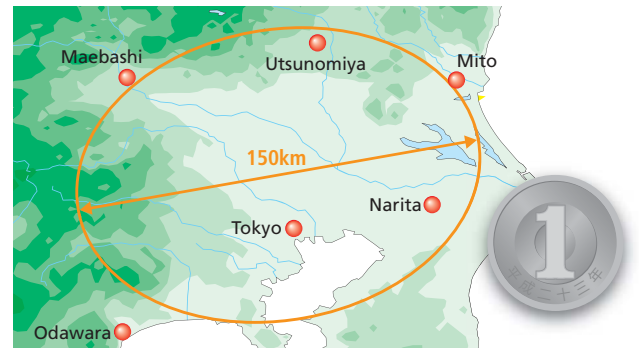


To create this high degree of flatness, “nano-level” polishing process control technologies are vital and critical. In anticipation of advances in semiconductors, SUMCO has developed polishing process capability that will respond to post 20-nanometer semiconductor manufacturing.

The Surface of a Silicon Wafer Is Truly a “Clean Field”

In semiconductors, circuits are printed and embedded on the surface of a silicon wafer using photo printing-like patterning technologies. Therefore, if nano-scale debris, called particles, adhere to the surface of a silicon wafer, then the wafers will lack printed circuits and be defective.

As an example illustrating the high degree of cleanliness required, if a 300 mm silicon wafer had the same circumference as the 150-kilometer radius of the Kanto Plain, the allowable amount of particles would be equivalent to max ten pieces of one Yen coin.



SUMCO is controlling the behavior of particles and continue to support the manufacture of cutting-edge semiconductors using its own unique cleaning technologies while utilizing highly advanced clean room control.

■ Past issues of SUMCO Business Results ■

Past issues of SUMCO Business Results are available for viewing on SUMCO's website. → <http://www.sumcosi.com/ir/library/report/index.html>

Stock Information

Total number of shares authorized	804,000,000 shares
Total number of issued and outstanding shares	257,751,739 shares
Number of shareholders	55,991

Major Shareholders

	Number of shares (thousand shares)	% of total shares
Sumitomo Metal Industries, Ltd.	71,700	27.82
Mitsubishi Materials Corporation	71,700	27.82
MELLON BANK TREATY CLIENTS OMNIBUS	9,025	3.50
THE BANK OF NEW YORK - JASDECTREATY ACCOUNT	5,860	2.27
Komatsu Ltd.	3,961	1.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,886	1.51
MELLON BANK ABN AMRO GLOBAL CUSTODY N.V.	3,509	1.36
The Japan Trustee Services Bank, Ltd. (Trust Account)	3,344	1.30
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	3,140	1.22
STATE STREET BANK AND TRUST COMPANY 505225	1,802	0.70

Offices and Plants

Head Office	Tokyo
Offices	Tokyo, Osaka, Fukuoka
Plants	Kyushu Factory (Imari) Kyushu Factory (Saga) Ikuno Plant Yonezawa Plant Chitose Plant

Consolidated Subsidiaries

Domestic Subsidiaries

SUMCO TECHXIV CORPORATION
SUMCO Solar Corporation
Japan Super Quartz Corporation
Minamata Denshi Co., Ltd.
SUMCO Technology Corporation
SUMCO Service Corporation
SUMTEC Service Corporation

Overseas Subsidiaries

SUMCO Phoenix Corporation
SUMCO Southwest Corporation
SUMCO Funding Corporation
STX Finance America, Inc.
SUMCO Personnel Services Corporation
SUMCO Europe Sales Plc.
PT. SUMCO Indonesia
SUMCO Singapore Pte. Ltd.
FORMOSA SUMCO TECHNOLOGY CORPORATION

Directors and Corporate Auditors

Director and President	Yoichi Taguchi ^{*1}
Director	Yoshinari Ishizuka ^{*1}
Director	Takashi Abe
Director	Kazufumi Yanaga
Director	Yukihiro Saeki
Director	Kazumasa Shoji
Director	Kazuo Hiramoto
Director	Mayuki Hashimoto ^{*2}
Director	Kenji Takahashi ^{*2}
Full-time Corporate Auditor	Tamio Kobayashi
Full-time Corporate Auditor	Hiroshi Yoshikawa
Corporate Auditor	Hitoshi Tanaka ^{*3}
Corporate Auditor	Kitaro Yoshida ^{*3}
Corporate Auditor	Keisuke Yamanobe ^{*3}

^{*1} Representative directors ^{*2} Outside directors ^{*3} Outside auditors



Corporate Data

Corporate name SUMCO CORPORATION
Legal headquarters 1-2-1 Shibaura, Minato-ku, Tokyo 105-8634
 TEL 03-5444-3915 FAX 03-5444-3929
<http://www.sumcosi.com/>

Foundation July 30, 1999
Capital 114.1 billion yen
Number of employees Consolidated: 8,997
 Non-consolidated: 4,220

Information for Shareholders

Business year February 1 to January 31 of the following year
Annual shareholders' meeting Held in April of every year
Base dates Annual shareholders' meeting: January 31 of every year
 Year-end dividends: January 31 of every year
 Interim dividends: July 31 of every year
 Other days as needed, to be designated subject to prior public announcement

Share unit 100 shares
Methods of announcement Official announcements shall be made electronically and shall be posted on the company website (<http://www.sumcosi.com>). When an announcement cannot be made electronically due to systems failure or for any other unavoidable reasons, the announcement shall appear in the Nihon Keizai Shimbun.
Market of listing Tokyo Stock Exchange, First Section

Transfer agent and manager of special accounts: The Sumitomo Trust & Banking Co., Ltd.
 5-33, Kitahama 4-chome, Chuo-ku, Osaka
Administrative office of transfer agent: Stock Transfer Agency Department
 The Sumitomo Trust & Banking Co., Ltd.
 3-1, Yaesu 2-chome, Chuo-ku, Tokyo
(Mailing address) Stock Transfer Agency Department
 The Sumitomo Trust & Banking Co., Ltd.
 1-10, Nikko-cho, Fuchu-shi, Tokyo 183-8701, Japan
(Tel)  0120-176-417
(URL) <http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html>

■ Notification of Change of Address and Inquiries

Shareholders who have accounts with securities should address their notification of change of address and inquiries to the securities company with whom they have an account. Shareholders who do not have accounts with securities companies can contact the telephone inquiry desk indicated on the left.

■ Requests for Buyback of Fractional Shares

SUMCO operates a buyback request program for shares less than one share unit (100 shares) that cannot be traded in the market. For details regarding buyback procedures, please contact your securities company or the stock transfer agency, The Sumitomo Trust & Banking Co., Ltd.

About SUMCO's website

SUMCO strives to enhance its website to enable its use by numerous shareholders and investors. In addition to information such as documents related to business results and news releases, our website also provides information about silicon wafers manufactured by SUMCO. We invite you to access our website.

SUMCO Home page: <http://www.sumcosi.com/>

Shareholders/Investors Home page: <http://www.sumcosi.com/ir/>



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